

PETROLEUM IN ECUADOR 2002

1. ECUADOR VENDE TRES CONTRATOS PETROLEROS EN -\$4.49 WTI, CUATRO MÁS EN ESPERA

The government has begun talks with Brazilian state controlled Petrobras for the possible export of crude via the Amazon River through Peru to Brazil. Proven reserves at the eastern Ishpingo Tambococha Tiputini (ITT) oil field have increased from 700 million bbl to over 2 billion bbl, prompting Petroecuador to seek a joint venture development deal with Petrobras, tied to a term contract deal.

Ecuador hopes to secure \$1.2 billion in foreign investment to develop ITT, as part of a strategy to raise \$4.3 billion in private funds to expand the oil sector. Petroecuador expects crude output this year to increase 6% to an average of 430,000 b/d. It also insists the 450,000 b/d heavy crude oil pipeline (OCP) will come on stream by September 2003, despite continued action by environmental campaigners (PIW Jan.21, p6).

Note: The Ishpingo Tambococha Tiputini (ITT) oil field is located inside the Yasuní National Park, the biggest continental National Park of Ecuador

Source: RESISTANCE OILWATCH NETWORK BULLETIN Number 30 – July 2002

2. THE ASSOCIATION OF INDIGENOUS WOMEN OF SARAYACU AMIS DENOUNCES THE DAMAGES THAT THE PETROL COMPANY CGC PROVOKES IN OUR COMMUNITY.

Ever since the first contact that we had with the petrol company CGC, we have pressure and problems, because it insists to carry out the petrol exploration in the block 23 which belongs to Sarayacu.

Our position is firm and irreversible; we do want neither exploration nor exploitation in our territory. We know by experience that the petrol exploitation only brings misery, corruption and hunger to the indigenous peoples. During the last 30 years of petrol exploitation there has been no improvement, no benefit for the amazonian peoples, there has only been destruction of the Amazonía and worse conditions each time.

The children and youngsters of Sarayacu will never become the peons and slaves of the big petrol companies, as in this case slaves of the CGC.

Up until now, CGC has used all kinds of strategys in order to divide our organization, they fool our leaders and buy the conscience of the youngsters, they introduce corruption into the heart of our organization and the communities. It continues to diffuse rumors that create a desequilibrium in the associations, communities and finally within the families.

As women of Sarayaku, we will not permit that these old tactics of “discord” destroy our families and the indigenous people.

In front of all needs that the indigenous people have, in order to survive, without support from the rulers and knowing the big economic crisis that the country is going through, those responsible of the company CGC shamelessly promise marvels and give illusions to the youngsters about a better life, but that will never be fulfilled with the petrol exploitation.

We know that the aim of CGC is not development of the indigenous peoples, rather they want to take out the petrol in order to become even more powerful, and the poor will become more poor.

We declare that as women of Sarayaku, we totalmente prohibit those responsible of the CGC and other companies to enter our territory. We also know that no proposal from the company, no matter how bit it may be, will save the indigenous peoples from the crisis.

Contact:

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3. CAMPESINOS WHO PROTESTED AGAINST THE OCP IN LAGO AGRIO HAVE BEEN DETAINED

Four people have been injured and ten detained in a violent confrontation with campesinos who were blocking oil pipeline work in Sucumbíos At 04:00 today hundreds of police and soldiers interrupted a camp that had been maintained for a month by campesinos at Km. 32 on the way to Lago Agrio-Quito.

At dawn today, hundreds of uniformed police and military soldiers violently interrupted the camp at Km 42 via Quito where a group of farmers affected by the construction of the OCP were impeding operation of the Techint machinery. The

uniformed police and soldiers used force, and attacked the 25 men, women and children with sticks, kicks, fists and tear gas. As a result, at least four people were injured, by punches or barbed wire while trying desperately to escape from the repression. In addition, at least 11 people have been detained, and there are prison orders for the leaders of the Provincial Network of Affected People by the OCP.

The blockades were maintained from the 7 of May in several points on the road. At the moment, a blockade is still in process at Km. 46 and at Km. 50 on the road to Quito. Farmers in the area are essentially leading the protests where the old SOTE (Trans Ecuadorian Oil Pipeline System) crosses, and where the new OCP will cross. The inhabitants of the region have suffered 30 years the consequences of oil exploitations, which result in the contamination of water and soil because of extraction activities and the transport of crude. Now they are facing innumerable outrages by the OCP Consortium, with the support of the Special OCP Group and the National Police, who arbitrarily interrupt the properties of these farmers.

In the 50 kilometers of OCP construction from Lago Agrio to Quito, more than 100 farms have been affected. In information collected by Acción Ecológica, 55% of these farms declared that they have been pressured, blackmailed or threatened to sign agreements with the OCP Consortium. 23% of those interviewed have not signed any agreement with the OCP, because they either are not in agreement with the value of the compensation or because they do not want the pipeline on their properties. Among the people that have signed agreements, around 80% feel that the compensation that they received is unfair and does not cover the damage done to their properties by the construction work. They have denounced damage to their crops (coffee, cacao, fruit) and grazing fields, as well as to their farm animals.

73% of those interviewed denounced that the OCP construction work destroyed their water sources, and covered streams and rivers. This has provoked serious damage to the local population since they now have no water sources now, including potable water, water for their animals, or crops and grazing fields.

We demand that the government respond to the arbitrary acts of the OCP Consortium, including the use of police and military, and that the government guarantees the security of the mobilized campesinos who are in their right, since they are being constantly threatened with violence by police and military soldiers.

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Source: RESISTANCE OILWATCH NETWORK BULLETIN Number 30 – July 2002

4. NEW OIL SPILL IN GALÁPAGOS

Charles Darwin Foundation for the Galapagos Islands Puerto Villamil, Galapagos, 4 Julio, 2002.

This morning at about 07h30, while work was being carried out to unload fuel off the BAE TAURUS, en Puerto Villamil, a tank collapsed with 2,000 gallons of diesel, which eventually caused a spill on the site. The first actions to avoid the dispersion of the spill were carried out by personal of the TAURUS, and the Loja de la Armada, which is found in Puerto Villamil, who put up a barrier in order to contain the spill, and the application of 10 gallons dispersant.

Afterwards, at 10h00 staff at Galapagos National Park and the The Charles Darwin Foundation, worked hard to make sure that the spill did not reach the Puerto Villamil beach, as well as monitoring the incident.

Staff is looking for alternatives to re-float the sunken fuel tank, which has apparently eliminated all of its 7 fuel.

At the moment, the Darwin Foundation does not know the potential impact of the spill, and is initiating a monitoring process for possible effects. The team at the Darwin Foundation on Isabela is monitoring the distribution of diesel and is collaborating on the clean up. In the next few days a technical report will be submitted on the situation and a team of scientists from the Foundation will travel to Puerto Villamil.

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5. TESTIMONY OF NELSON ALCÍVAR, PEASANT AFFECTED BY THE CONSTRUCTION OF OCP PIPELINE (HEAVY CRUDE OIL PIPELINE - OLEODUCTO DE CRUDOS PESADOS)

It is 3:00 p.m. and I am at the Oxy headquarters with other friends from the Amazon Network and the National Network of People Affected by the OCP. The OCP is the heavy crude pipeline that will take oil from the Amazon, and cross the country. Oxy is one of the partners in this consortium.

The surprise that we have encountered is that Oxy has shut all of its doors, and has mobilized their security forces and called the police. We are a group of about 50 people, from everywhere in between Esmeraldas and Lago Agrio, accompanied by environmentalist organizations, with the hope that the executives of the company will receive us and listen to us.

We are unarmed and the only things we carry are posters, demonstrating what we have suffered all this 9 time since the beginning of OCP construction.

It is strange for me that, having requested an audience with Oxy, that they lock their door, mobilize their security forces and call the police. When they come onto my farm, they do it without asking any permission, without knocking on the door, and accompanied by the armed forces and the police, with absolutely no respect for those who take care of the forest, water and life in the Amazon.

A mass of armed forces of around 100 men arrive, commanded by their captain, and proceed to arrest the young ecologists and finally a squad of ten police take three of my friends. I decide to enter the fight. Grabbing them tightly, I start to drag them away and force them against a building, to avoid that they get put on the bus where several other friends already await after having been arrested by force, with no capture order. After struggling and enduring punches and kicks, and as a result breaking one of my fingers, my three friends and I were able to resist being imprisoned.

I now see that I not only live the brutality of the company on my property located 200 km from Quito, but also here, in the middle of the city, beside the offices of the company that conforms the OCP consortium.

My name is Nelson Alcívar and I live at Km. 72 on the Lago Agrio-Quito road, in the province of Sucumbíos. I have lived here for 17 years. My property lies beside the place where the OCP Cayagama station is being constructed.

I am against the construction of the OCP because it is an oil concession that is against the sovereignty of the country, evident in the enormous environmental devastations caused by the oil companies that make up the consortium, and for the oil spills, and the consequences that this has on human beings and wildlife, and also for being a contract in which the biggest benefits will go directly to the OCP, leaving only a minuscule part for the country.

OCP came into our farms, conducted its studies and opened roads without consulting us, everything under the military and police cover.

Some affected people have been compensated, but with many irregularities. For example, farm owners are not paid; instead people who have nothing to do with the farms that are affected are paid, such as Mayors or City-Council Members. One Mayor has charged 25.000 for one man's land, and 20.000 for another farm. This has caused indignation in the population. Because of these incidents, the Amazon Network of People Affected by the OCP was formed, in order to demand fair compensation, as well as control over construction, and to avoid damage caused by the construction of the OCP with our participation, which up until now has not happened.

Farmers that have not received the promised compensations have been repressed, pursued, and have been abused and jailed by functionaries of the OCP.

My economy is based on raising and selling tropical fish, such as “cachama”, “sábalo”, “bagre” and “tilapia” for human consumption. In order to raise these fish, I need to use a water source that is located 120 meters away, precisely where they are now building the Cayagama platform. The oil and diesel, which fall in small quantities from the Techint machines that are building the station, have killed my young fish two times. The first time 80,000 were killed, the second time 20,000 were killed. I have now had to abandon my project.

I invested 60.000 dollars in this project, and the OCP will not give this to me. Access to the only road has also been taken over by the OCP, which has paralyzed livestock movement on the farm. This 2 km long road connected all pastures and banana plantations, which are used to feed the cows and the pigs. The OCP occupies 400 m of this road, and has left the rest, which is useless because of the topography. The occupancy was violent, with no previous warning, and with the use of armed forces and police. 16 military personal and 30 police were brought in.

In order to survive, I had to sell 60 pigs and several cows.

The OCP has pressured the Banco Nacional Fomento regarding a debt that was to mature in 2006, but convinced them that it should already be mature, and therefore called for the auction of my farm, so I had to pay it to avoid being run down. The last touch of bad luck came three weeks after when the bank called for the auction off of my farm again. The bank obliged me to pay the debt of the 11 farmers that I had given my signature to as a credit guarantee. I had to find the money and pay my debts in order to avoid the OCP auctioning off my property.

I have suffered constant persecutions, insults and aggressive behavior through the radio by OCP functionaries and threats from the army that they will make me disappear from the planet if I continue to organize people.

There are several campesinos and farmers in the areas that have received similar treatment.

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